

POLICY ON CORPORATE **SOCIAL RESPONSIBILITY (CSR)**

PREAMBLE

At Veefin Solutions Limited, we recognize that our responsibilities extend beyond financial performance and shareholder value. As a responsible corporate citizen, we are committed to contributing to the economic, environmental, and social development of the communities in which we operate. Our Corporate Social Responsibility (CSR) initiatives reflect our commitment to inclusive growth and sustainable development, aligning with our core values of integrity, innovation, and accountability.

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, Veefin Solutions Limited adopts this CSR Policy as a guiding framework to implement and monitor meaningful programs that address pressing societal needs and make a lasting impact.

Through this Policy, we seek to integrate social, environmental, and ethical principles into our business operations and leverage our capabilities to create value for society. We aim to undertake projects that contribute to nation-building and the upliftment of underprivileged communities, thereby fulfilling our duties as a socially conscious and forward-thinking enterprise.

In accordance with the provisions of Section 135(9) of the Companies Act, 2013, if the amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities does not exceed ₹50 lakh in a financial year, the requirement to constitute a CSR Committee shall not apply, and the functions of such a committee shall be discharged by the Board of Directors. This Policy is therefore framed keeping in view the current applicability status of CSR provisions to the Company, based on the prescribed financial thresholds and CSR obligation.

KEY WORDS & MEANINGS:

1. "Act" shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
2. "Approved Budget" shall mean the total budget as approved by the Board of the Company which is to be utilized for CSR Projects.
3. "Board" shall mean the Board of Directors of the Company.
4. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
5. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Companies Act
6. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
7. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board.

8. “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
9. “Net profit” shall mean the net profit as per Sec 135 of the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
10. “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

POLICY OBJECTIVES:

The objective of the CSR Policy (“Policy”) is to lay down the guiding principles in undertaking various Programs and projects by or on behalf of the company relating to Corporate Social Responsibility (“CSR”) within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. (“Rules”)

CSR ACTIVITIES:

The activities that the Company may undertake shall be (inter alia):

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents; [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

- contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- contributions to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- rural development projects;
- slum area development ['slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]
- disaster management, including relief, rehabilitation and reconstruction activities

CSR COMMITTEE CONSTITUTION:

As per Section 135 (9) of The Companies Act, 2013 the amount to be spent for CSR activities as provided in section 135 (5) does not exceed fifty lakh rupees hence there is no requirement for constitution of CSR Committee and the functions shall be discharged by the Board of Directors of company.

ROLE OF THE BOARD:

In accordance with Section 135(9) of the Companies Act, 2013, since the CSR obligation of the Company does not exceed ₹50 lakh, the constitution of a CSR Committee is not mandatory. Accordingly, the Board of Directors shall perform all the functions of the CSR Committee, including formulation, implementation, monitoring, and evaluation of CSR activities, as laid down below:

1. Draft the CSR policy and shall indicate the activities to be undertaken by the company.
2. Recommend the amount of expenditure to be incurred on the activities mentioned in point no. (I).

3. Monitor the Corporate Social Responsibility Policy of the company from time to time.
4. Review and recommend any new CSR initiatives to be taken up by the company.
5. Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
6. Review and recommend the CSR report to be included in the board's report.
7. Review and recommend any amendments to be made in the CSR policy of the Company.
8. To carry such other functions as may be required relating to CSR activities of the company.

CSR EXPENDITURE:

As per Section 135(5) company needs to spend average of 2% of its net profits of the company made during the three immediately preceding financial years, the calculations of same shall be placed and approved by the board.

IMPACT ASSESSMENT

As per Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), if the Company is required to undertake impact assessment of CSR projects (which is applicable only where the average CSR obligation is ₹10 crore or more in the three immediately preceding financial years), the expenditure for such impact assessment shall not exceed **2% of the total CSR expenditure for that financial year or ₹50 lakh, whichever is higher.**

Note: Currently, Veeфин Solutions Limited is not required to undertake impact assessment, as its CSR obligation does not exceed ₹10 crore.

IMPLEMENTATION PROCESS

The Company can engage any of the eligible entities as defined in this Policy for undertaking projects or programmes or CSR activities in accordance with Rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. Further, the Company may also enter into any of the eligible CSR projects on its own without the engagement of any of the eligible entities/ external agencies.

As Rule 7 (4) of the CSR Amendment Rules, 2021 allows Companies to spend CSR amount by creating /acquisition of capital asset through a Section 8 Company, or a Registered Public Trust or Registered Society having charitable objects and CSR registration number or public authorities the Company can also spend its CSR amount by contributing to the creation/acquisition of capital asset through such entities.

ELIGIBLE ENTITIES:

As per Rule 4(1) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the CSR liabilities can be undertaken through the following eligible entities: –

- a. A Company established under Section 8 of the Act, or a Registered Public Trust or a Registered Society, registered under Section 12A and 80 G of the Income Tax Act, 1961 established by the Company, either singly or along with any other Company, or
- b. A Company established under Section 8 of the Act or a Registered Trust or a Registered Society, established by the Central Government or State Government; or
- c. Any entity established under an Act of Parliament or a State legislature; or
- d. A Company established under Section 8 of the Act, or a Registered Public Trust or a Registered Society, registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES:

In accordance with Rule 7(2) of the CSR Amendment Rules, 2021, any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

TREATMENT OF EXCESS CSR AMOUNT SPENT AND UNSPENT CSR AMOUNT:

As per Rule 7(3) of the CSR Amendment Rules, 2021, where a Company spends an amount in excess of requirement provided under Sub-Section (5) of Section 135, such excess amount may be set off against the requirement to spend under Sub-Section (5) of Section 135 up to immediate succeeding three financial years subject to the conditions that –

- i. The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- ii. The Board of the Company shall pass a resolution to that effect.

Further the CSR amount remaining unspent in accordance with Section 135 (5) and (6) of the Companies Act, 2013 will be transferred by the Company to any fund included in Schedule VII of the Act.

TRANSFER OF UNSPENT CSR AMOUNT:

If the Company fails to spend the amount prescribed in Section 135(5) shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE:

As per Rule 9 The Companies (Corporate Social Responsibility Policy) Rules, 2014 The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee (not applicable to the Company) and CSR Policy and Projects approved by the Board on their website, if any, for public access.

CONFIDENTIALITY:

All deliberations of the board, and all records, material and information pertaining to the Corporation obtained by a member of the board shall be considered confidential. Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

AMENDMENT OF POLICY:

The CSR Policy of the company may be amended at any time by the board of the company.

Note: The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.